

Message Text

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16

ACTION IO-14

INFO OCT-01 AGR-20 RSC-01 AID-20 EB-11 AF-10 ARA-16 EA-11

EUR-25 NEA-10 COME-00 ISO-00 DRC-01 CIAE-00 INR-10

NSAE-00 L-03 PM-07 NSC-10 SPC-03 SS-15 /188 W

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FM AMEMBASSY ROME

TO SECSTATE WASHDC 1186

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FODAG

E.O. 11652 N/A

TAGS: EAGR, UN, FAO

SUBJ: FAO IG GRAINS - DIRECTOR-GENERAL'S PROPOSAL FOR WORLD
SECURITY POLICY

1. SUMMARY: DISCUSSION OF PROPOSAL IN SESSION GENERAL WITH
CONSENSUS LIMITED TO FACTS THAT (1) POTENTIAL DANGER EXISTS
AND (2) MORE TIME REQUIRED TO EXPLORE DG'S PROPOSALS AND CONSIDER
APPROPRIATE METHODOLOGY. END SUMMARY.

2. DISCUSSION OF PROPOSAL IN GRAINS GROUP NO DOUBT AFFECTED
BY FACT PREVIOUS REVIEW OF CURRENT SITUATION AND SHORT TERM
OUTLOOK CLEARLY INDICATED NO REPEAT NO DRAMATIC SHORTFALL
OF EXPORT AVAILABILITIES FEARED BY DG AND BASIS FOR SEPT.
20 MEETING IN ROME OF WHEAT EXPORTERS. GRAINS GROUP FORECAST
SUPPLY AND DEMAND TO BE IN ROUGH BALANCE AT 62 MILLION METRIC
TONS FOR WHEAT AND 59 MILLION FOR COARSE GRAINS.

3. SECOND FACTOR LIMITING SERIOUS DISCUSSION WAS LATE ARRIVAL
OF PERTINENT DOCUMENTS. ALTHOUGH FAO SECRETARIAT TRIED TO STEER
DISCUSSION TOWARDS AGREEMENT ON OBJECTIVE YARDSTICKS TO JUDGE
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SUFFICIENCY NATIONAL STOCKS AND MECHANISM TO REVIEW PROGRESS

IT RECEIVED NO GUIDANCE.

4. SOME DELS OBVIOUSLY NOT INSTRUCTED. ARGENTINA AND AUSTRALIA FOLLOWED POSITION ESTABLISHED AT SEPT. 20 MEETING CALLING FOR CAREFUL DISCUSSION OF ISSUE IN REGULARLY SCHEDULED FAO MEETINGS. AUSTRALIA RAISED QUESTION OF WHO WOULD PAY FOR COSTS INVOLVED IN HOLDING STOCKS ABOVE NATIONAL MINIMUM. TURKEY ALSO STATED LDCS NOT ABLE TO BEAR COST ALTHOUGH EGYPT INDICATED WILLINGNESS BEAR SOME COST IF STOCKS HELD AT CENTRAL POINTS NEAR LIKELY NEEDY COUNTRIES. EGYPT CITED THIS AS MEANS OF OVERCOMING DELAYS AND HIGH FREIGHT RATES WHEN CRISES DEVELOP.

4. JAPAN AND EC RESERVED THEIR POSITIONS WHILE CANADA CAUTIONED AGAINST OVER-REACTION TO CURRENT SITUATION AND RAISED POINT PRODUCTION EDIBLE SYNTHETICS WITHIN 2/3 YEARS MIGHT CHANGE COMPLEXION OF PROBLEM.

5. US DEL SUGGESTED THAT CURRENT EFFORTS NOT DIRECTED TOWARDS SOLVING CURRENT TIGHT SITUATION BUT RATHER TOWARDS PREVENTING FUTURE ONES. US DEL THEN MENTIONED SEVERAL PRACTICAL DIFFICULTIES OF MEASURING STOCKS ADEQUACY AND EVEN IN IDENTIFYING WHO IN FREE MARKET ECONOMIES CONTROLS STOCKS.

6. US DEL INDICATED OVERALL POSITION ON DG PROPOSAL NOT FULLY DEVELOPED BUT SUGGESTED THAT CONCENTRATION UPON EXCHANGE OF INFORMATION RE CURRENT AND PROSPECTIVE SUPPLY-DEMAND SITUATION MIGHT AT THIS STAGE BE MORE USEFUL TO ALL CONCERNED THAN AN UNDUE ATTENTION TO FORMALISTIC COUNTRY-BY-COUNTRY APPROACH TO STOCK PROBLEMS, SINCE MANY MAJOR COUNTRIES EITHER DO NOT HAVE OR CANNOT BE GUIDED BY PRECISE STOCKS TARGETS. FOR ANY FUTURE DISCUSSION OF DATA ASPECTS, IT WAS SUGGESTED THAT SOME SIMPLE COMPARISON OF YEARLY WORLD CONSUMPTION WITH WORLD STOCKS MIGHT SUFFICE. STOCKS TOTAL MIGHT ONLY BE BROKEN DOWN TO LIMITED EXTENT, SUCH AS ON BASIS OF THREE CATEGORIES, I.E., MAJOR EXPORTERS, DEVELOPED IMPORTERS (WEST EUROPE AND JAPAN), AND ALL OTHERS.

7. COMMENT: DISCUSSION OF PROPOSAL OFF TO SLOW START. FAO COMMITTEE ON COMMODITY PROBLEMS MEETING (10/8-10/19) PROVIDES NEXT OPPORTUNITY FOR GOVERNMENTS TO DISCUSS ISSUE. BEAUDRY

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
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